

What Does Health Reform Mean for My Business? 2010-2013

25 employees or less

- **Employer Responsibility** – Not required to provide health insurance coverage for employees and not required to contribute to any federal cost of their coverage.
- **Tax Credits** – Eligible for a new tax credit up to 35% of the employer's contribution toward an employee health insurance premium (if the employer contributes at least 50% of the premium cost, and average firm wages are \$50,000 or less). Businesses with 10 or fewer employees and average wages of \$25,000 or less will receive the full tax credit (35%), with the credit decreasing in value as firm size and/or average wages increase.
- **Retiree Coverage Assistance** – Eligible for a reinsurance program for high-cost claims submitted by retirees over age 55, who are not Medicare eligible. The new program will reimburse employers for 80% of retiree claims between \$15,000 and \$90,000—reducing costs for employers and retirees.
- **Insurance Value Guarantee** – Requires insurers to spend at least 80% of small business premiums on clinical services. If insurers spend less than 80% on care, they must rebate the difference to the premium payer.
- **Wellness Incentives** – Eligible for grants to establish wellness programs. Allowed to offer employee rewards (premium discounts, cost-sharing waivers, or other benefits) up to 30% of coverage costs for employees participating in a wellness program and meeting health-related standards. The HHS Secretary is allowed to increase the maximum discount to 50%.

26 employees or more

- **Employer Responsibility** – Not required to provide health insurance coverage for employees and not required to contribute to any federal cost of their coverage.
- **Retiree Coverage Assistance** – Eligible for a reinsurance program for high-cost claims submitted by retirees over age 55, who are not Medicare eligible. The new program will reimburse employers for 80% of retiree claims between \$15,000 and \$90,000—reducing costs for employers and retirees.
- **Insurance Value Guarantee** – Requires insurers to spend at least 80% of small business premiums on clinical services. If insurers spend less than 80% on care, they must rebate the difference to the premium payer.
- **Wellness Incentives** – Eligible for grants to establish wellness programs. Allowed to offer employee rewards (premium discounts, cost-sharing waivers, or other benefits) up to 30% of coverage costs for employees participating in a wellness program and meeting health-related standards. The HHS Secretary is allowed to increase the maximum discount to 50%.

What Does Health Reform Mean for My Business? 2014 and Forward

25 employees or less

- **Employer Responsibility** – Not required to provide health insurance coverage for employees and not required to contribute to any federal cost of their coverage.
- **Employee Insurance Access**
 - Employees with household incomes less than 133% of poverty (\$29,326/year for a family of 4 in 2009) are eligible for Medicaid coverage.
 - Employees with household incomes above 133% of poverty are eligible for private insurance coverage through the state Health Exchange. These employees will receive tax credits to help cover the cost of their premium—on a sliding scale, up to 400% of poverty (88,200/year for a family of 4 in 2009).
- **New Employer Option**
 - Allowed to purchase coverage for employees through the state Health Exchange. This coverage will have a wider risk pool and lower administrative costs—leading to lower premiums than plans available on the open market.
- **Tax Credits** – Eligible for a new tax credit up to 50% of the employer’s contribution toward an employee health insurance premium (if coverage is purchased within the state Health Exchange, the employer contributes at least 50% of the premium cost). Businesses with 10 or fewer employees and average wages of \$25,000 or less will receive the full tax credit (50%), with the credit decreasing in value as firm size and/or average wages increase.
- **Insurance Value Guarantee** – Requires insurers to spend at least 80% of small business premiums on clinical services. If insurers spend less than 80% on care, they must rebate the difference to the premium payer.
- **Wellness Incentives** – Eligible for grants to establish wellness programs (available through 2016). Allowed to offer employee rewards (premium discounts, cost-sharing waivers, or other benefits) up to 30% of coverage costs for employees participating in a wellness program and meeting health-related standards. The HHS Secretary is allowed to increase the maximum discount to 50%.

26-50 employees

- **Employer Responsibility** – Not required to provide health insurance coverage for employees and not required to contribute to any federal cost of their coverage.
- **New Employer Option**
 - Allowed to purchase coverage for employees through the state Health Exchange. This coverage will have a wider risk pool and lower administrative costs—leading to lower premiums than plans available on the open market.
- **Employee Insurance Access**
 - All employees with household incomes less than 133% of poverty (\$29,326/year for a family of 4 in 2009) are eligible for Medicaid coverage.
 - All employees with household incomes above 133% of poverty are eligible for private insurance coverage through the state Health Exchange. These employees will receive tax credits to help cover the cost of their premium—on a sliding scale, up to 400% of poverty (88,200/year for a family of 4 in 2009).
- **Insurance Value Guarantee** – Requires insurers to spend at least 80% of small business premiums on clinical services. If insurers spend less than 80% on care, they must rebate the difference to the premium payer.
- **Wellness Incentives** – Eligible for grants to establish wellness programs (available through 2016). Allowed to offer employee rewards (premium discounts, cost-sharing waivers, or other benefits) up to 30% of coverage costs for employees participating in a wellness program and meeting health-related standards. The HHS Secretary is allowed to increase the maximum discount to 50%.

51-100 employees

- **Employer Responsibility**
 - Required to either (Option 1) provide health insurance coverage for employees or (Option 2) contribute to any federal cost of their coverage.
 - If the employer chooses Option 1 and coverage premiums exceed 8% of annual income for an employee, the employer must provide a voucher equal to what the employer would have paid to provide coverage to the employee under the in-house plan. The employee can only use that voucher to attain coverage in the state Health Exchange.
 - If the employer chooses Option 2, they are responsible to help cover a portion of the federal cost of the affordability tax credits used by their employees. After the first 30 employees (which are exempted from fee calculation), employers are charged \$2,000 per full-time employee (32+ hours/week).
- **New Employer Option**
 - Allowed to purchase coverage for employees through the state Health Exchange. This coverage will have a wider risk pool and lower administrative costs—leading to lower premiums than plans available on the open market.
- **Employee Insurance Access**
 - All employees with household incomes less than 133% of poverty (\$29,326/year for a family of 4 in 2009) are eligible for Medicaid coverage.
 - All employees with household incomes above 133% of poverty are eligible for private insurance coverage through the state Health Exchange. These employees will receive tax credits to help cover the cost of their premium—on a sliding scale, up to 400% of poverty (88,200/year for a family of 4 in 2009).
- **Insurance Value Guarantee** – Requires insurers to spend at least 80% of small business premiums on clinical services. If insurers spend less than 80% on care, they must rebate the difference to the premium payer.
- **Wellness Incentives** – Eligible for grants to establish wellness programs (available through 2016). Allowed to offer employee rewards (premium discounts, cost-sharing waivers, or other benefits) up to 30% of coverage costs for employees participating in a wellness program and meeting health-related standards. The HHS Secretary is allowed to increase the maximum discount to 50%.

Over 100 employees

- **Employer Responsibility**
 - Required to either (Option 1) provide health insurance coverage for employees or (Option 2) contribute to any federal cost of their coverage.
 - If the employer chooses Option 1 and coverage premiums exceed 8% of annual income for an employee, the employer must provide a voucher equal to what the employer would have paid to provide coverage to the employee under the in-house plan. The employee can only use that voucher to attain coverage in the state Health Exchange.
 - If the employer chooses Option 2, they are responsible to help cover a portion of the federal cost of the affordability tax credits used by their employees. After the first 30 employees (which are exempted from fee calculation), employers are charged \$2,000 per full-time employee (32+ hours/week).
- **New Employer Option**
 - Allowed (starts in 2017, authorized state-by-state) to purchase coverage for employees through the state Health Exchange. This coverage will have a wider risk pool and lower administrative costs—leading to lower premiums than plans available on the open market.
- **Employee Insurance Access**
 - All employees with household incomes less than 133% of poverty (\$29,326/year for a family of 4 in 2009) are eligible for Medicaid coverage.
 - All employees with household incomes above 133% of poverty are eligible for private insurance coverage through the state Health Exchange. These employees will receive tax credits to help cover the cost of their premium—on a sliding scale, up to 400% of poverty (88,200/year for a family of 4 in 2009).
- **Insurance Value Guarantee** – Requires insurers to spend at least 85% of large business premiums on clinical services. If insurers spend less than 85% on care, they must rebate the difference to the premium payer.
- **Wellness Incentives** – Eligible for grants to establish wellness programs (available through 2016). Allowed to offer employee rewards (premium discounts, cost-sharing waivers, or other benefits) up to 30% of coverage costs for employees participating in a wellness program and meeting health-related standards. The HHS Secretary is allowed to increase the maximum discount to 50%.